

Youth on the labour market – employment policy targets

Youth unemployment is very high both in Europe and in Hungary. A career starter has to face several challenges. One of those is the educational system, since the employment problems today can be partly attributed to the choice of schooling made six-eight years earlier and training cannot fully follow the needs of the labour market. Young persons with low qualifications and drop-outs are also in danger. It is a characteristic feature of young employees that they are attracted by the grey or black economy without paying any social insurance. These circumstances often make the first stage of starting a career more difficult, or postpone it unnecessarily.

Governments and interest groups representing employers and employees share responsibility, but regarding the specific action points they should provide assistance to youths jointly, each using its own means. The key to success is to implement complex solutions that cover and harmonize the economic, educational and social system. In the process of providing assistance, attention must be paid to the choice of schooling, increase of self-awareness, the practice of training, career start and if necessary, careerchange. The youth need labour market activating services rather than welfare provisions.

Situation of job starters on the labour market

In Hungary the labour market characteristics of young people are broadly as different from the corresponding indicators of the EU as with the total population. In this regard both employment and unemployment rates are lower than the Community average. In 2004 the stagnation of employment levels had a negative impact on young people's chances to find jobs. The number and ratio of people in employment decreased in the 15-24-age group. The number of employees of 20-24 years of age decreased by 47.2 thousand (-14.3%) in the last year, although we must also take into account that in the meantime this age group lost 29.8 thousand members. In 2004 **23.6% of the age group of 15-24** had a job, as opposed to the EU average of 36.7%¹.

At the same time in 2004 unemployment figures also show deterioration: unemployment rates of the age group of 15-24 increased to 15.5 %. This is still better than the average value of 18.3% of the European Union in 2003.

Significant decrease in activity is partly attributed to the increase of ratio of full time students, which is a natural consequence of the expansion of the educational system in the field of agriculture concerning the age group of 15-24. The number of full-time students of 15 years of age or older is 740 thousand (10.8% of the population of working age), and is rising despite the decrease of the number of people in the 15-24 age group.

For quite a long time college or university graduates have had the best chances in the labour market (for example, 82 % of graduates will find a job within one year after graduation. The employment ratio of the youth who dropped out after eight years of elementary school is below 30 % in Hungary. Requirements for the youth for further education have increased accordingly.

1. The source of EU-25 data is the publication *Employment in Europe*, issued in 2004

At the same time higher education opportunities have also expanded, as a result there is an oversupply of college and university graduates in the labour market while there is a shortage of well-trained skilled workers in certain areas of the country. Over-production of graduates from higher education remains partly hidden; it is visible on the level of jobs with lower qualifications, since many college and university graduates will accept positions requiring lower qualifications.

Employment policy for the labour market integration of the youth

In accordance with the guidelines defined by the EU, the Ministry of Employment and Labour intends to use every tool of employment policy to enhance participation in the labour market, by providing assistance for access to high quality employment to all men and women capable of working by countering discrimination in the workplace and preventing exclusion from the world of work. Employment policy monitors the situation of young people – with special attention to young job starters –. It is a fundamental objective to ensure that young people find jobs within the shortest period of time, and if necessary, improve their employability.

The Ministry of Employment and Labour has allocated special priority to the actions aimed at enhancing the employment of young people in its projects of strategic importance in the Human Resources Development Operative Program, in the EQUAL Program document as well as in the National Action Plan for Employment.

Labour market programs receiving support from the European Social Fund are primarily launched for unskilled or under-educated young people.

According to the objectives formulated in the National Action Plan for Employment, it should be ensured that concerning the age group under 25, the ratio of people becoming permanently jobless from among those recorded in the unemployment register should decrease to 18% by the year 2006. Ratio of those young unemployed who have not received support within 6 months after having been added to the unemployment register should be decreased to 15%.

Special support available for job starters:

Support for acquiring work experience for job starters is available to those employers who employ skilled or unskilled young persons – for at least four hours a day – in a position where they are able to get experiences beneficial in the labour market. The support can be 50-100% of the wages payable for the job starter and is available for the maximum term of one year. Positions eligible for support are defined by the county employment councils.

Employment support for job starters: this grant is intended to promote continuous employment of skilled young people at the place of training.

According to the result of the monitoring assessment of labour market programs, employers offered permanent status to 78.2% of young people in 2003. In case of grant beneficiaries this ratio is 66.1%.

Programs aimed to increase the labour market opportunities of job starters

A major part of young people enter the labour market without skills or the type and level of their qualifications do not match the needs of the labour market, while most enterprises look for labour force with practice, therefore support for the integration to the labour market requires a complex approach.

Labour market programs are developed for this purpose in which the various services and active tools are applied jointly, to provide assistance to increase the opportunities of young people in the labour market. First, the qualification gaps are tackled, then employment is supported to ensure work experiences. At present various programmes are operated for young people at county level.

Major programs operated in the counties are the following:

- Transit employment programme for young job starters, aimed to create opportunities,
- Work experience programme for young college and university graduates,
- Special program for unskilled young job starters (Roma or other young people with disadvantages),
- Reintegration programme for unemployed persons living in small settlements, with low level qualifications and no longer receiving unemployment benefits,
- Development of a network of tourism clerks, programme to keep young people in their communities, etc.
- Complex programmes supported by the National Employment Fund, aimed to prevent the exclusion of young people from the labour market (they are designed to improve the labour market situation of unskilled young persons and early school leavers, and to enable unskilled young people with multiple disadvantages to learn a profession/trade).

Additional actions to improve labour market chances of young people

Supporting the employment of young people remains a highlighted objective in 2005 as well. Prevention is the most important task. Services offered by the ÁFSZ are therefore designed for prevention. We provide assistance to prepare young people for career related decisions (concerning the choice on higher education, by career guidance days, career exhibitions, occupational information consulting) or to find a job as soon as possible (by job fairs, open days, informational services, consultation in the premises of schools, cooperation schemes with institutes of education).

The Government has introduced new employment policy tools and grants for the employment of people with disadvantages in order to enhance their employment and entry to the labour market from 2005

In addition to the special wage support for job starters (support to obtain work experiences and employment grants) the employment of young people below 25 is supported by a social security contribution benefit of 50%, regardless to the fact whether the employees had been registered as unemployed before they were hired. Employment on stipend helps college and university graduates to obtain work experiences, by which the opportunity of receiving social security contribution benefits has been extended up to the age of 30. The new benefits are available through the tax authority.

The Government has established the „State Administration Stipend of Job-starters” as a separate and special tool, to be applied in public administration. The system of stipends is designed to help people to acquire college and university degrees and start their careers at the same time, to get work experiences, acquire skills and knowledge absolutely necessary for working, to shorten the transition between education and the world of work; to promote the renewal of state administration, to train new public servants qualified to perform tasks deriving from Hungary’s EU membership.

REGIONAL CAREER COUNSELLING AND CAREER ORIENTATION NETWORK AND „E-PALYA” WEB SITE

Aim of the Project

With the support of the PHARE program of the European Union, Hungary has developed the system of career guidance and career orientation counselling networks in 3 regions, through 9 county-based Labour Centres and with several participants.

Established as the predecessor of the Southern Plain career guidance system, the Leonardo da Vinci mobility project of Békés County model titled „Development of a career orientation and career guidance system customized to the needs of the labour market” received the EUROPEAN MOBILITY QUALITY AWARD.

The purpose of the project is to establish such a career guidance and career orientation database, in which the data necessary for the decision are available and accessible to everyone.

The existing career counselling network has been expanded, electronic career information counselling points are being established first in the Southern Plain region, then in all local labour offices of the country.

Present status of the project

Counselling network has been established. Councillors have been trained in all offices designed to be involved in the system in the Southern Plain region. In January 2005 almost 4000 users visited the “e-palya” (e-career) web site. Search engines on the Internet brought up the completed career guidance and career management web site about 650,000 times.

At the end of last year, the staff of the Employment Office, the organization exercising professional supervision over the National Public Employment Service (ÁFSZ) decided – under the guidance of the Ministry of Employment and Labour, and in consent with the professionals of the nine counties involved in the project – on the national dissemination of the www.epalya.hu web site, with the condition that the best elements of the products of the other two consortiums should be incorporated into “e-palya”. Since February 2005 the web site has been available from the homepage of the ÁFSZ (www.afsz.hu) as well.

This year the Ministry considers the national dissemination of the applied system a priority task and provides the appropriate resources, so that the data files should be uploaded in every branch office as soon as possible. Data are being entered by the training institutes, the number of unemployed career starters and the job demands reported by the employers in a given profession. These data are certainly necessary for the interested clients to choose an occupation that will match both their skills, expectations and the needs of the labour market.

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SUPPORTING EMPLOYMENT OF YOUNG GRADUATES

Purpose of the Program

This program has been developed by the Labour Centre of Szabolcs-Szatmár-Bereg County with the involvement of the Regional Development Council of the County, and designed to keep career starter graduates in the region. The program also applies to people who graduated a few years earlier, left the area as career starter graduates and would like to return.

Current Status of the Program

The program lasts for 2 years, it began on 1 September 2003 and is scheduled to terminate on 31 August 2005. On the first enrolment date 600 career starter graduates indicated their intention to participate. This number was six times as high as the number of people qualifying for support from the labour market fund. When participating young people were selected, the organizers of the program took into account the unemployment rate of the given small region, the employment level and whether the employers of the area can potentially offer appropriate jobs for qualified people in the target group. The Labour Centre provided several types of support and incentives for the enrolment of both young people and employers. If re-training was required, they funded it fully.

The employer received labour costs benefit (100% of wages and wage related costs for a definite period). Employers could receive asset procurement support as a job creating investment.

The program can be considered successful, since 100 people, -according to the original plan-, have received training and have been employed.

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CAREER GUIDANCE EXHIBITION

Purpose of the Project is to help young people to choose a career and a profession. Many times important decisions are still made by the parents and not by the young people. The exhibition is designed to present wide scope of career options, wages available in various careers, health and work safety conditions of professions and finally, the future of the given occupation in the region. We note that nationally over 100,000 students participate in these exhibitions and most of them get useful information. Occupational Information Counselling Service operates within the labour centres available for interested young persons as well as for teachers and instructors over the year. Good cooperation among the labour market professionals, teachers, instructors and prospective employers is very important during the preparation and organization of the exhibitions.

This kind of exhibition will be held in each county and in the capital, under the guidance and coordination of the competent Labour Centre. From among 20 exhibitions, we now present one held in Zala County.

Current Status of the Project

The Labour Centre of Zala County held this representative event for the 5th time last year. Professionals, advisers and psychologists of the labour organization are available on the premises to give personal advice to interested young people having career problems or to their parents. At the same time, they provide information about post-school training and re-training opportunities as well as the jobs available for the given occupation.

Companies organized presentations about their activities in almost 70 stands. 3500 pupils of 100 elementary schools were interested in the event; most of them went to the premises free of charge. The event included a fashion show and a music-dance show presented by amateur groups of schools.

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„ÚTIRÁNY” (ROADMAP) – TRANSIT EMPLOYMENT PROGRAM

Purpose of the Project

Purpose of the project is to train and ensure permanent employment for young people with disadvantages between 16 and 25. According to the data of the County-based Labour Centre of Baranya, the situation of unemployed career starters in the county has not improved for years, what is more, their number is increasing. The root of the problem is that mining, which had been very significant in this region, has been terminated and the significance of the processing industry has also diminished. Almost every 3rd registered unemployed is a young person below 30 year of age, half of them have only completed 8 classes of primary school or less.

Current Status of the Project

Young people participating in the program have an opportunity to obtain a skilled worker certificate officially recognized by the National Training Register. They have access to the services and support of the employment centre to find long-term jobs. The title of the program also implies that the school has a transit function. Opportunities for learning, having a successful career and the conditions of getting employed are communicated to the young people. The first phase of the program takes place in the training workshop of the school, in the presence of instructors and master craftsmen. In the outreach workstations the participants learn how to apply the theoretical and practical skills in practice and get real life experiences. The value produced is measured and the proportionate part of the revenue goes for purchase of additional machines and tools.

The curriculum also includes foreign language skills and knowledge about the European Union, furthermore, participants receive computer training. This program was launched in January 2004 and will be completed this summer.

It is a general experience that almost 70% of the program participants have the possibility to be employed after the first year, for a minimum term of 6 months.

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„NEW SERVICES” – EMPLOYMENT OF YOUTH

Purpose of the Project

Labour market situation of the region of three counties (Baranya, Somogy and Tolna County) should be changed. South Transdanubian region is also called the southern gate of the country. In international comparison it belongs to the less developed regions. The reasons of this situation are the lack of a motorway, the proximity of the border and the decline of the traditional engines of the economy, such as mining. The objective of the program is to create jobs by supporting the creation of 'new services', aimed at the provision of personal services or performance of activities fulfilling the interests and needs of the community, for which demands have already been registered but could not yet be fulfilled on a market basis, owing to a lack of stable demands and paying customers.

One of the objectives is to support the employment of registered unemployed young people of 16-30. Formerly, the delegation of the Ministry of Employment and Solidarity of the Republic of France visited the region. The delegation established a professional cooperation with the Regional Training Centre of Pécs and the Labour Centre of Baranya County, which has been maintained since.

Current Status of the Program

The project started on the 1st of January 2004 and will be completed on the 31st of December 2006. The experimental program is managed by the labour centres. The Training Centre is also involved as one of the agents of implementation, which is responsible for the professional development of the program. This development is performed by staff members trained by the French partner. The objective was to place 100 young unemployed into long-term employment in the Region. The objectives set for the proportionate term have been accomplished. The financial support provided for the program has facilitated the implementation. The employer offering jobs may require wage support and refund of wage related costs, which is 100% in the first year, 80% in the second year and 60% in the third year of the program. The project defines the maximum gross wages to be included in the wage costs and the budget for the training support. In this project the maximum amount available for the training of one employee is EUR 1,200. The experiences gained in the program so far are favourable, especially in that regard that stable, new jobs have been created in the social sector and in tourism by the support for job creation.

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„KEZDŐLÉPÉS” (FIRST STEP) – YOUTH COUNSELLING PROGRAM

Purpose of the Program

The most important objective of the programme is to prevent career starters from becoming unemployed, and to decrease the number of existing unemployed career starters. Objectives also include the improvement of life situation of registered and non-registered unemployed career starters and their chances for finding jobs. The original objective was to have at least 60 people successfully complete some kind of training course, and 100 people should be placed into work from the target group, relying on the support for getting work experiences. 80% of program participants should be placed into long-term employment. Within the active tools we can mention the support of labour market training, refund of wage related costs and the support to get work experiences.

Current Status of the Program

The program has been successful, 80 unemployed career starters have participated in the trainings, 99 people received support to acquire work experiences, and refunds have been paid to cover contributions as well.

Youth councillors working in the branch offices played a significant role in the accomplishment of these results, as they located the eligible unemployed career starters from the computer databases. They provided information about the services available from the labour market organization and the various forms of support available. With the help of youth councillors, the branch offices are carrying out continuous job exploration to find appropriate jobs for the selected career starters. Youth councillors regularly visit the graduating students in schools of the county, they inform them on the program and the opportunities of participation.

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NATIONAL EMPLOYMENT FUND (OFA)

The National Employment Fund (OFA) operates under the management of the Ministry of Employment and Labour, which announces national programs every year to support people with disadvantages to find jobs. Hereby we present two of these programs:

SUBURBAN “SAND-LOT” SCHOOL

Purpose of the Project

This project recruits its participants from among young people of 16-25 with disadvantages, with no skills, having dropped out from the educational system and hanging out aimlessly. Suburban “Sand-lot” schools provide customized services, that is they help the young people to return to the educational system and offer training that matches the young people’s abilities and opportunities.

The purpose of the activity is that the young people have a positive work related attitude, a change in the work-related motivations as a result of training, to improve willingness of cooperation of young people and ultimately, their job opportunities. Suburban “Sand-lot” schools locate the drifting young people with the help of social workers surveying public areas.

The first stage of the project is a kind of status survey, in which mentors and other professionals analyze the causes of rambling and the alternative options for a way out.

Present status of the program

The program was launched three years ago, with ESF support. 260 persons were involved in counselling and training. Relatively few of them have been employed so far. In this regard we should not have excessive expectations. 106 persons remained in the school beyond 6 months, which is considered to be a valuable result. It can also be considered an accomplishment that in the South Transdanubian region, in Baranya County to be more exact, in the city of Pécs and its area the project has become widely known and acknowledged. Now every mayor knows that there was and has been a program that gives a chance to rambling young people to earn their enduring place in the world of work. Although at the beginning of this year, after the third year the project was closed, proposals were made to continue and to submit new applications, considering the fact that the scope of potential participants has rather increased than diminished.

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Horizon Program

Purpose of the Program

Locating young people who - owing to their low qualifications and lifestyle problems - are not able to accomplish an active status in the labour market. They are mostly young people who have not completed any level of the schooling system; whose circumstances in the family are not appropriate and whose motivations to work are extremely weak. In the city of Szombathely and its area the project makes an effort to locate these young people and to motivate them to participate in training and to find jobs in a self-definition based way.

It is another objective of the program to develop cooperation with schools, nursery and children's homes, with competent family support centres and Territorial Service for Children Protection.

Present status of the program

This project was launched in February 2005 and will terminate in August 2006. According to the plans, 120 young people would be involved in the cooperation, 36 will participate in training and 24 will be placed into employment. As a forerunner to this program, a similar project had been operated for 3 years. During that time almost 300 people were involved in counselling and training, 183 people took part in training successfully and a significant part of them could find a job. These accomplishments were the basis for the preparation of the application for the ongoing program. Considering the national average, the ratio of persons having participated in labour market training and having found a job within 3 months is 40-45%. This implies low training efficiency.

Training and employment is based on self-definition of young people, i.e. councillors do not press them to go to school or work. It is the result of counselling that such motivations are induced in young people

The program also includes post-training care and follow-up, supervision and discussion of cases. Organizations involved in the program have established a consortium, whose activities are coordinated and supported by the Labour Centre of Vas County.

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EQUAL COMMUNITY INITIATIVE IN HUNGARY

One of the objectives of the European Employment Strategy is to achieve full employment. It is the comprehensive objective of EQUAL Community Initiative to support the implementation of the Employment Strategy and the National Employment Action Plans.

The Hungarian EQUAL program supports experimental initiatives that enhance the training of people with disadvantages and finding work for them – those who are unable to find job because of discrimination on grounds of **ethnicity** or **gender**, **disabilities** or **age**, low qualifications, lack of skills, lack of accepting workplace practices, etc.

Owing to the lack of work experiences, the young career starters also have to face several kinds of disadvantages, which can also be alleviated through the problem-centred approach of EQUAL.

In Hungary the occurrence of some disadvantages in certain groups of the society are more frequent. Among the Roma population the ratio of unemployed, long-term unemployed, low qualified and untrained people as well as drop-outs from the schooling system is especially high.

Here we present two of the successful and popular programmes supported by EQUAL:

EQUAL OPPORTUNITIES IN THE MEDIA

Purpose of the project

Purpose of the project is to help unemployed and disadvantaged people with GSE degree , primarily the Roma, to return to the labour market.

It is an important objective of the trainings that the participants should, if possible, obtain a qualification in accredited professions, which must certainly be supplemented by a minimum language skills and user level IT skills. There are plans to find employment for a significant part of people involved in the programme at the media. During the courses communication training is held every month, by that failure resistance and cooperative abilities of the participants are developed.

Present status of the program

The purpose of the program is to find jobs for the highest possible ratio of participants in the field of media. Within the framework of the programme, a new studio will be built by support. It is an important aspect that physically handicapped people should also have easy access to the facilities. Instructors are selected in a way that they should be able to establish a good relation with the students. Study groups of 5 are organized, each with 1 instructor, 1 practical supervisor and 1 mental hygienic professional.

Contact

<http://www.equal.hu>

<http://www.equalhungary.hu>

<http://www.ofa.hu>

EU 25: http://europa.eu.int/comm/employment_social/equal/index_en.cfm

“Prevention and handling of unemployment”

Purpose of the Project

This program is aimed to support young job starters, career starter graduates, to find jobs in Budapest. Even though the unemployment rate is far below the national average in Budapest, the number of young career starters among the unemployed has been growing for 5 years. The program is also designed to ensure that participants should be enrolled not only from the scope of registered unemployed, but also from the inactive population. The number of inactive people keeps growing, and according to a survey by KSH (Central Statistical Office) it exceeded half million in June 2004 in Budapest.

Current Status of the Program

The project started in September 2004 and will be completed on the 31st of December 2007. Participants have already been selected. During the selection the following aspects were considered: the time spent as a registered unemployed, whether the candidate receives state support from other sources, his or her cooperation with the local office. The involvement of future employers in the program is a much more difficult task. A method has been chosen according which young people can also find a future employer for them. In the framework of the program various active tools support employability. Costs of training are refunded, participants receive state support towards their livelihood costs, employers receive support to enable the participants to obtain work practice and various labour market services are provided. Naturally, the program tackles differently the employment of young graduates and those who only completed 8 classes of elementary school or less or those who have no work experience.

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